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(1466)

9 January 1974

MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT: [REDACTED] Project

1. WHA [REDACTED] is not in agreement with the recommendation contained in paragraph 4 of the [REDACTED] memorandum commenting on [REDACTED] Amendment No.1, and does not believe that any deadline for sharp reduction of financial support to this project should be set.

2. The [REDACTED] projects which covered the approximately [REDACTED] approved by the 40 Committee for support of political parties and private sector organization opposed to the Allende regime have already been reduced to a bare minimum and contain funds only for the [REDACTED]. Similarly, the [REDACTED] Project, which covered some [REDACTED] of 40 Committee-approved support [REDACTED]

[REDACTED] The current need for additional funds [REDACTED] is the result of wage and price rises of as much as 500% coupled with a decrease in the exchange rate for the dollar.

3. As noted in the [REDACTED] memorandum, the [REDACTED] agents in the [REDACTED] Project, [REDACTED] are unsalaried collaborators who are [REDACTED]

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[REDACTED] as part of their effort to oppose Marxism in Chile, is essential to maintaining the trust and continued collaboration of the [REDACTED] and through them, to maintain our capability for influencing the Junta and molding Chilean public opinion.

4. We cannot predict at this time what project costs are likely to be for FY 1975; these will depend on economic developments inside Chile as well as the selection of political action and propaganda objectives which are considered of future operational importance by the Agency and [REDACTED] is the only remaining [REDACTED] project which provides for activities [REDACTED] and we believe that the Santiago Station should be able to present its proposals [REDACTED] in FY 1975 without having to worry about deadlines imposed by Headquarters for reduction of financial support.

[REDACTED]

Attachment:
WH [REDACTED] Memorandum

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